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C O N F I D E N T I A L SECTION 01 OF 05 NICOSIA 000531

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SUBJECT: A/S FRIED'S MESSAGE OF USG SUPPORT FOR UN-BROKERED
PROCESS ON CYPRUS WELL RECEIVED DURING JULY 6-7 VISIT

Classified By: Classified by Ambassador Ronald L. Schlicher for reasons
1.4a and 1.4d

1.(C) Summary: A/S Dan Fried delivered a positive message of USG support for Cypriot President Dimitris Christofias and Turkish Cypriot Leader Mehmet Ali Talat in their efforts to unite the island during his July 6-7 visit to Nicosia, Cyprus. In meetings with Christofias, Talat, Cypriot Foreign Minister Markos Kyprianou, and UNFICYP SRSG Taye-Brook Zerioun, Fried expressed the willingness of the USG to support the UN-brokered peace process to the extent the two leaders desired, with authorship belonging ultimately to them - a so-called "Cypriot Solution." Although both Talat and Christofias reaffirmed their support for the reunification of Cyprus - they differed sharply over the efficacy of a "Cypriot Solution." Both the Cypriot President and his FM embraced the idea, while Talat voiced deep skepticism at a solely home-grown solution given the intractable nature of the most serious issues. Fried welcomed the possible early start of full-fledged negotiations, but made clear that the USG would not pressure the parties to set a date. SRSG Zerioun said the leaders had reached an understanding to start on September 1, while President Christofias hinted they would start "soon." For his part, Talat favors the immediate launch of negotiations. All sides supported naming a USG Special Adviser to Cyprus provided that such a step was taken in coordination with the parties and after the start of full-fledged negotiations. Both sides expressed mutual suspicions to Fried, with G/Cs fearing Turkish obstructionism and T/Cs questioning Greek Cypriot motives. Bilaterally, Fried praised Cypriot cooperation in the War on Terror and the 2006 Lebanon evacuation and underscored the need to eliminate CYPROB-induced friction between NATO-EU cooperation. For his part, Christofias voiced satisfaction at improved US-RoC relations and thanked Ambassador Schlicher for his efforts, while Kyprianou said that an ad hoc formula could be considered to ease the NATO-EU deadlock. Overall, A/S Fried succeeding in delivering a largely mutually-acceptable and credible message of USG support, while at the same time avoiding Greek and Turkish Cypriot pitfalls. End Summary.

Leaders Reaffirm Support for a Reunified Cyprus through
UN-brokered negotiations

12. (C) In all his meetings, A/S Fried voiced USG support for the ongoing UN-brokered process while noting that the U.S. would not impose a solution and had no "Plan B"; rather, we would aid and facilitate the leaders, own efforts and achievements. Fried praised both Talat and Christofias for getting the Ledra Street crossing opened, and said that the

present time was more conducive for a solution than it had been in years. The A/S also underscored the sui generis nature of Kosovar independence, which will "never" be a precedent for Cyprus or any other conflict; he also repeated the USG policy of non-recognition of the "Turkish Republic of Northern Cyprus."

¶3. (C) President Christofias and T/C leader Mehmet Ali Talat both reaffirmed their support for a reunified Cyprus through the on going UN-brokered negotiations. Christofias said that reunification was his life's goal and the sole motivation for his seeking the Presidency in 2008. He sought the restoration of the rights of all Cypriots, of both Greek and Turkish origin. Talat was equally passionate and dubbed a solution a "must" for the Turkish Cypriots because of their non-recognized status. He also rejected the idea of two states on the island as neither "achievable nor viable", with emphasis on the latter.

...With G/C emphasis on Property Restoration and Right of Return

¶4. (C) Both Talat and Christofias pledged support for the three agreements, each one a hard-fought compromise, the leaders have inked to date (March 21, May 23, July 1). Those documents commit both sides to a bizonal, bicomunal federation based on political equality according to relevant

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UN Resolutions and composed of two equal constituent states. The federation will also have a single international personality and, in principle, single citizenship and sovereignty. A/S Fried voiced support for those agreements, but made it clear to both leaders that the modalities and details would have to be filled in by them, not outsiders, not the USG.

¶5. (C) Each leader, not surprisingly, put his own spin on those documents. Christofias dubbed property the "soul" of the system and said he could not tell people that they could not use or have access to property - a historical G/C demand, even for a nominally-Communist president. He said, however, that he would work to find a "balance" between human rights, i.e., property and the right of return, and a bizonal, bicomunal federation. The Cypriot President denied that he had walked back from the "two constituent states" language of the May 23 agreement, but added that the agreements had to be taken as a "whole picture." (Note: In his July 8 press conference, Christofias pledged support for all three agreements and said that a federation means "two states with equal status and equal powers"; language on "two constituent states" had earlier, however, been omitted from the June 5 RoC-UK MOU, and the RoC fought USG attempts to include it in the UNFICYP roll-over resolution. End Note.)

...And T/Cs Emphasizing Constituent States

¶6. (C) After some preliminary complaints that the international community had not lived up to its commitments to the T/Cs in the aftermath of their 2004 "yes" vote, Talat voiced support for a bizonal, bicomunal federation as well, but one comprised of two constituent states as outlined in the May 23 Leaders, Statement - a core T/C demand and a key element of the 2004 Annan Plan. This, he said, not only reflected the fact of a unique Turkish Cypriot people on the

island, but also would prevent G/C "usurpation" of their future common state. He supported a single sovereignty, but one that emanates from both communities, a notion introduced in the 1992 Ghali Set of Ideas and approved by both Greek and Turkish Cypriots according to him. He claimed that the Greek Cypriots had still not accepted the "constituent state" language of the "May 23 Statement".

G/Cs for "Cypriot Solution", T/Cs Leery

¶7. (C) A/S Fried, both at his July 7 press conference and privately, advocated a "Cyprus Solution," the notion that the resolution of the Cyprus Problem must lie largely in the hands of the Greek and Turkish Cypriots and their two leaders. The international community would encourage and facilitate the efforts of both sides, but it would not cajole or impose an outside resolution of the issue.

¶8. (C) President Christofias and his FM welcomed the idea of a "Cypriot Solution." Christofias argued that more activist efforts in the past, such as the Annan Plan, had backfired and alienated the G/C populace. He stated that he "was happy" that the USG accepted a "Cypriot Solution." FM Kyprianou voiced the same sentiments, adding the "mistakes of 2004" had to be avoided to ensure that a solution was not dictated, or perceive to be dictated.

¶9. (C) Talat, however, was doubtful of a solely home-grown solution to the problem given the intractable nature of the most serious issues. He also was against an imposed solution, but argued that even day-to-day contacts in the Technical Committees and Working Groups showed the two sides often came to loggerheads over small issues. He thought that ultimately both sides would have to agree to "a kind of arbitration" - a tactic used during the Annan Plan and fiercely rejected today by the G/Cs, and indeed by the UN.

Will you take the plunge?

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¶10. (C) A/S Fried told both leaders that the USG supports the start of full-fledged negotiations and considers the atmosphere conducive for their start, but is avoiding any language intimating pressure or timetables. He told Christofias that, while on any given day it might be easier not to start negotiations, a succession of such days would lead to a "catastrophe" for the island. Fried told Talat that it seemed as if he were "ready" for negotiations and reassured him of USG support for the "two constituent states language" of the May 23 statement, but said he could not impose the details. Ultimately, it was "up to you to take the plunge," he told Talat.

¶11. (C) Christofias told Fried that he hoped to start full-fledged negotiations "soon," adding that he had to take into account "other political forces," but had already secured the support of the National Council on July 4. Kyprianou added that the "populations" still had to be moved. (Note: At his July 8 press conference, Christofias said the basis for negotiations had been "clarified with Talat" and that a decision whether or not to proceed to full-fledged negotiations would be announced at the leaders' meeting on July 25. End Note).

12.(C) For his part, Talat expressed disappointment that Christofias was still not ready to engage in full-fledged negotiations, though he admitted ultimately Christofias is committed to a solution. He urged Fried to treat the sides equally in the framework of the UN-brokered process.

¶13. (C) UNFICYP SRSB Taye-Brook Zerihoun told Fried that full-fledged negotiations would "likely" start in September based on an "understanding" the two leaders hammered out at their contentious July 1 meeting. The talks would, most likely, kick-off as a rolling start, with issues on which there was the most convergence, such as EU or the economy, dealt with first. Zerihoun praised both leaders for covering "more distance" than was earlier thought possible, but worried that public support for the process was not "deep or wide," with many "naysayers," especially on the G/C side. Zerihoun voiced consternation at the G/Cs walking back from parts of the May 23 agreement, especially over the language on "two constituent states" and feared the leaders' relations may have been "frayed" as a result.

All support USG CYPROB Negotiator, But at the Right Time

¶14. (C) Fried solicited the leaders,, Kyprianou,s, and Zerihoun,s input on the question of whether, how, and when the appointment of a USG Special Adviser for Cyprus would help the process. His initial thinking, which he shared with his interlocutors, is that an appointment should follow the leaders, announcement of the start of full-fledged negotiations and occur only if both men agreed that such a post has utility. Both leaders welcomed such an appointment in principle, with Talat urging Fried to take the G/C lead on the issue so as to get Greek Cypriots on board and not spook them. Christofias supported the idea of a US adviser, but at an unnamed, later date, after the appointment of a UN Special Adviser and with more concrete results from the process. Both leaders seemed to favor the appointment of a professional diplomat rather than a political appointee.

¶15. (C) For his part, Zerihoun dodged Fried,s question regarding the value-added and timing of appointing a USG Special Cyprus Adviser, quipping that we should "sovereignly decide." Nevertheless, the UN would favor such an appointment as an indicator of our support for, and interest in, the process. He urged coordination with other countries that might also name envoys and urged an "external" role, i.e., mostly off-island, to insure a coherent international strategy. He said that UN would know for certain regarding the appointment of the former Australian FM Downer as the SG Special Adviser by Wednesday, July 9. Downer, however, would not get to the island until the September timeframe and then,

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at least until the end of the year, only work part-time.

Mutual Suspicions Continue Despite Improved Climate

¶16. (C) While both leaders agree that the climate has improved markedly since the departure of Papadopoulos, mutual distrust continues. Both Kyprianou and Christofias voiced concern over what they see as Turkey,s negative role and possible hindrance of a solution or its implementation, while at the same time voicing support for Talat. Christofias

blamed the Turkish military, though he voiced strong support and sympathy for Turkish President Gul and PM Erdogan. Kyprianou warned that it would be hard to convince the G/C populace to support a solution since Turkey, in his words, had done nothing positive to support the peace process since 2004. He also said it was becoming increasingly difficult to approve opening EU accession chapters for Turkey since all the simpler, technical ones had already been opened. He sought a good-will gesture, such as letting Cypriot-registered airlines use Turkish airspace.

¶17. (C) A/S Fried told Christofias that he could not forecast the outcome of the AKP-closure case and its fall-out, but that the best answer to his fears was to shape the context on the island in which Turkey operates by moving forward with the peace process. He promised Christofias that he would encourage Turkish officials to play a constructive role. The A/S also told both Christofias and Kyprianou the crucial importance of unblocking EU-NATO military cooperation stymied by CYPROB enmity between Turkey and Cyprus. He assured Kyprianou that such "flexibility" would not be used against Cyprus. Kyprianou said that an "ad hoc agreement" might be found to ameliorate the situation, depending on what Cyprus got in return. He claimed to have tried to set up a back-channel to Turkey while serving as EU Commissioner, though without great success.

¶18. (C) Talat worried that Christofias, given the RoC's international status and robust economy, had "no incentive" to share power with the Turkish Cypriots, and might simply be playing for time. He claimed that Christofias was ready to walk out of the July 1 meeting and was not influenced in the least by the possible negative consequences. Ambassador Schlicher asked Talat whether he believed that Christofias ideologically was committed to a solution, to which Talat replied positively.

Bilateral Relations Better than Ever

¶19. (C) A/S Fried thanked President Christofias for the support the RoC has given to the USG, including the 2006 Lebanon Evacuation, signing on to PSI, and, although it vehemently opposes Kosovar independence, not blocking ESDP activity in Kosovo. He also told the President that Kosovo is not a model for resolution of any other dispute, and conveyed Talat's opinion to the same effect. Christofias thanked Fried and said that, together with Ambassador Schlicher, the RoC had developed "frank and friendly relations", and he would do his "utmost" to build upon them. A/S Fried told the President, in a message he delivered earlier to Kyprianou, that he could see the utility of a meeting between Secretary Rice and Kyprianou in the United States after the start of negotiations so that the USG side could learn first-hand how it could be helpful.

¶20. (C) Comment: A/S Fried conveyed a constructive USG message of non-intrusive support for the UN-brokered process without getting dragged by either of the two sides into a partisan blame game - a sport at which both Turkish and Greek Cypriots are gold medalists. Furthermore, in an usually nasty media environment, press coverage was largely positive, with the exception of one major G/C paper. Fried's message of a "Cypriot Solution" clearly had a calming effect on President Christofias, and although we cannot, of course, prove a connection, at his July 8 press conference Christofias announced that the basis for negotiations with Talat had been

clarified, removing a major obstacle for the G/C leader to start negotiations. While Mr. Talat refutes the concept of a largely home-grown solution, both his need and desire for a solution are genuine; he wants to be at the center of his side of the process. We think those two factors will keep him in the game and flexible, as evidenced by his performance at the July 1 leaders, meeting, where his acceptance of G/C demands for a statement on single sovereignty and citizenship kept things on track. And although political developments in Turkey--and their possible influence on the process here--remain the biggest wild card, we will continue to push A/S Fried,s message of shaping the context for Turkey on the island by moving forward at the negotiating table. End Comment.
SCHLICHER